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SENATE BILL 1787 By
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HOUSE BILL 1741
By Kisber

AN ACT to amend Tennessee Code
Annotated, Title 67, Chapter 1
relative to the failure to pay taxes
and the powers of the commissioner
of revenue.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated Section 67-1-102(a)(8) is amended by inserting the language “, provided however, the commissioner shall not compromise subsequent tax liabilities of taxpayers who have previously been granted a compromise on a previous tax liabilities” between the words “ this subsection” and the punctuation “;”.

SECTION 2. Tennessee Code Annotated, Title 67, Chapter 1, Part 14 is amended by adding the following as a new, appropriated designated section:

67-1-14____. (a) Any person required to collect, truthfully account for, and pay over any tax collected from customers of any taxpayer, who willfully fails, refuses or neglects to truthfully account for or pay over such tax collected commits a Class A misdemeanor, punishable by a fine of not less than five hundred dollars (\$500.00) nor more than seven hundred and fifty dollars (\$750). However, if the person had previously entered into a compromise tax liabilities with the

commissioner pursuant to 67-1-102(a)(a) such action shall be considered a Class E felony.

(b) It is the duty of the attorney general and reporter of the state of Tennessee to prosecute such person for such offense in the courts of Davidson County.

(c) As used in this section:

(1) "Person" includes an officer or employee of a corporation, who as such officer or employee is under a duty to perform the act in respect of which the violation occurs; and

(2) "Willfully" is limited to material and informed participation in the diversion of such collected funds to a source other than to the state.

(d) The penalties imposed by this section shall be in addition to other the provisions of 67-1-1443.

SECTION 3. This act shall take effect upon becoming law, the public welfare requiring it.